

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

NOTICE OF ANNUAL GENERAL MEETING

To the Shareholders:

TAKE NOTICE that the Annual General Meeting of the Shareholders of LOUVICOURT GOLDFIELD CORPORATION (No Personal Liability) will be held in Room 1109 of the Windsor Hotel, Dominion Square, Montreal, Quebec, on Tuesday, the 30th day of June, 1970, at the hour of 11:00 o'clock in the forenoon, Daylight Saving Time, for the following purposes:—

1. To receive the Directors' Report and Financial Statements.
2. To elect Directors for the ensuing year.
3. To appoint Auditors.
4. To transact such other business as may properly come before the Annual General Meeting of Shareholders.

Each Shareholder who will not be able to be personally present is respectfully requested to date, sign and return the enclosed Proxy to the undersigned.

A copy of the Directors' Report and Financial Statements to be submitted to such Meeting is forwarded herewith.

DATED the 3rd day of June, 1970.

By Order of the Board,

P. C. FINLAY,
Secretary.

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the Management of the Company for use at the Annual General Meeting of the Shareholders of the Company to be held on Tuesday, the 30th day of June, 1970, and at any adjournment or adjournments thereof.

The cost of solicitation will be borne by the Company. The solicitation will be primarily by mail, but proxies will also be solicited by regular employees of the Company. No remuneration will be paid to any person for soliciting proxies, but the Company may, upon request, pay to certain brokerage firms, fiduciaries or other persons holding shares in their names for others, the charges entailed for sending out proxies to the persons for whom they hold shares.

PROVISIONS RELATING TO VOTING

Shareholders of record at the time of the holding of the Meeting will be entitled to one vote for each share held. The Company has outstanding 5,375,000 shares of its capital stock. A Shareholder who has given a proxy may revoke it at any time prior to its use either (a) by signing a proxy bearing a later date and delivering it to the Secretary of the Company, or (b) by signing written notice of revocation and delivering it to the Secretary of the Company or the Chairman of the Meeting.

THE FORM OF PROXY WHICH ACCOMPANIES THIS INFORMATION CIRCULAR IS SOLICITED ON BEHALF OF THE MANAGEMENT OF THE COMPANY.

A SHAREHOLDER THAT IS NOT A CORPORATION HAS THE RIGHT TO APPOINT ANY PERSON WHO IS ENTITLED TO BE PRESENT AND VOTE AT THE MEETING TO REPRESENT HIM AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY. A SHAREHOLDER THAT IS A CORPORATION HAS THE RIGHT TO APPOINT ANY PERSON TO REPRESENT IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY. TO EXERCISE SUCH RIGHT THE SHAREHOLDER SHOULD STRIKE OUT THE NAMES OF THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY AND INSERT THE NAME OF HIS OR ITS NOMINEE.

The Company has been informed that Newlund Mines Limited beneficially owns, directly or indirectly, 795,875 shares or approximately 14.8% of the issued and outstanding shares of the Company.

ELECTION OF DIRECTORS

At the Annual General Meeting a Board of five Directors is to be elected, to hold office until the next Annual General Meeting of Shareholders or until their successors are elected, and it is the intention of the

persons named in the enclosed form of proxy to vote such proxy for the election of the following persons, being the present Directors of the Company, who are standing for re-election.

The Management does not contemplate that any nominee will be unable to serve as a Director for any reason, but should this be the case, the persons named in the accompanying form of proxy reserve the right to vote for another person of their choice in his place and stead.

The names of all the Directors, their principal occupation or employment, the years in which they became Directors of the Company and the approximate number of shares of the Company beneficially owned by them, directly or indirectly, as of the 3rd day of June, 1970, are as follows:—

<u>Name</u>	<u>Position with Company</u>	<u>Present Principal Occupation</u>	<u>Director since</u>	<u>Number of shares beneficially held</u>
E. D. Wright	President and Director	Chartered Accountant, Toronto, Ontario.	11 July, 1967	279,400
J. R. Booth	Vice-President and Director	President, New Mylamaque Explorations Ltd., Toronto, Ontario.	11 July, 1967	100
P. C. Finlay	Secretary-Treasurer and Director	Partner in the Legal Firm of Holden, Murdoch, Walton, Finlay, Robinson, Toronto, Ontario.	29 June, 1964	3,500
Gustave Maher	Director	Mining Consultant, Montreal, P.Q.	4 July, 1969	100
H. Hunter	Director	Accountant, Toronto.	1 June, 1970	200

Each of the above-named persons has held the principal occupation indicated for at least five years.

E. D. Wright, P. C. Finlay, J. R. Booth and H. Hunter, Directors of the Company, are also Directors, Shareholders and Officers of Newlund Mines Limited which holds in excess of 10% of the common shares of the Company.

REMUNERATION OF MANAGEMENT AND OTHERS

(a) No remuneration was paid by the Company during the fiscal year ended December 31, 1969, to the Directors of the Company as such. The aggregate remuneration paid by the Company to the senior Officers as a group during the fiscal year ended December 31st, 1969, was \$1,800.00.

(b) The Company does not have any pension plan for the benefit of its officers or employees.

(c) During 1969 no options were granted by the Company on shares of its capital stock.

APPOINTMENT OF AUDITORS

The persons named in the enclosed form of Proxy intend to vote for the appointment of Bastien, Barrière & Associés as Auditors of the Company, to hold office until the next Annual Meeting of Shareholders. Beaulac, Hotte, Tetreault & Cie or its predecessors have been Auditors of the Company for more than the past five years, and Guy Beaulac, C.A., of that Firm, who had been responsible for the audit of the Company's affairs, is now associated with the Firm of Bastien, Barrière & Associés.

OTHER MATTERS

The Management does not know of any other matters to be brought before the Meeting other than those hereinbefore set forth and in the Notice of the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.

By Order of the Board,

P. C. FINLAY,
Secretary.

Toronto, Ontario,
June 3rd, 1970.

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**LOUVICOURT GOLDFIELD
CORPORATION**

(No Personal Liability)

Annual Report

*For the Year Ended December 31st,
1969*

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

25th Annual Report

For the Year Ended December 31, 1969

DIRECTORS

E. D. WRIGHT	-	-	-	-	-	-	-	-	-	Toronto, Ontario
J. R. BOOTH	-	-	-	-	-	-	-	-	-	Toronto, Ontario
P. C. FINLAY, Q.C.	-	-	-	-	-	-	-	-	-	Toronto, Ontario
GUSTAVE MAHER	-	-	-	-	-	-	-	-	-	Montreal, Quebec
H. HUNTER	-	-	-	-	-	-	-	-	-	Toronto, Ontario

OFFICERS

President	-	-	-	-	-	-	-	-	-	E. D. WRIGHT
Vice-President	-	-	-	-	-	-	-	-	-	J. R. BOOTH
Secretary-Treasurer	-	-	-	-	-	-	-	-	-	P. C. FINLAY, Q.C.

TRANSFER AGENTS
CANADA PERMANENT TRUST COMPANY
Montreal and Toronto

AUDITORS
Beulac, Hotte, Tetreault & Cie
Montreal and Toronto

SOLICITORS
Holden, Murdoch, Walton, Finlay, Robinson
Toronto, Ontario

HEAD OFFICE
Suite 1003, 612 St. James Street West
Montreal 1, Quebec

EXECUTIVE OFFICE
2400 The Bank of Nova Scotia Building
44 King Street West
Toronto 105, Ontario

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

Directors' Report

To the Shareholders:

Your Directors submit herewith the Balance Sheet of your Company as at December 31, 1969, duly reported upon by the Auditors of your Company, together with Statement of Exploration and Administrative Expenditures, Statement of Deficit and Statement of Source and Application of Funds for the year ended December 31, 1969.

Your Company acquired 10 claims in the Sturgeon Lake area, and we understand that Newconex Canadian Exploration Limited, who have optioned the adjoining property, propose to examine same with possibly eight diamond drill holes.

A reassessment of our original gold property is being undertaken this summer to be prepared for the contemplated increase in the price of gold.

Our interest in the Wollaston Lake area is being maintained and we have retained the services of R. B. Allen, P.Eng., to follow the exploration activities in this area.

Our 20 claims in Lake Waswanipi did not have any work done on them this past winter, but we contemplate doing work after freezeup this coming winter. Chesbar Iron Powder Limited on the next property will be in production by late July and this should be a great constructive move for the area. We hold much promise for this property.

On behalf of the Board,

Toronto, Ontario,
June 3, 1970.

EDWARD D. WRIGHT,
President.

LOUVICOURT GOLDFIELD

(No Personal Liability)

Incorporated under the Quebec Companies Act

Balance Sheet as at

ASSETS

	1969	1968
Current		
Cash	\$ 556	\$ 729
Accounts receivable		8,441
Marketable securities at cost (Market value \$18,500)		4,195
	<u>556</u>	<u>13,365</u>
Investment and advances		
Western Newlund Louvicourt Explorations Limited		
Shares	26,250	
Advances	16,000	
	<u>42,250</u>	
Mining concessions and claims	<u>370,413</u>	<u>378,238</u>
Buildings, machinery, equipment, stores, supplies	<u>2</u>	<u>2</u>
Other investments		
Unlisted shares at cost less allowance for decline in value	<u>2</u>	<u>31,533</u>
Deferred expenditures		
Pre-milling	670,977	670,977
Exploration, per statement	37,328	132,019
	<u>708,305</u>	<u>802,996</u>
	<u>\$1,121,528</u>	<u>\$1,226,134</u>

AUDITOR'S

To the Shareholders of
LOUVICOURT GOLDFIELD CORPORATION
(No Personal Liability)

We have examined the balance sheet of LOUVICOURT GOLDFIELD CORPORATION, the deficit, source and application of funds, and exploration and administrative expenditures, accounting procedures and such tests of accounting records as we considered necessary.

In our opinion these financial statements present fairly the financial position and application of its funds for the year ended, in accordance with generally accepted accounting principles.

May 4, 1970.

FIELD CORPORATION

STATEMENT NO. 1

(Personal Liability)

Mining Companies' Act

December 31, 1969

LIABILITIES

	1969	1968
Current		
Accounts payable	\$ 4,839	\$ 4,391
Loan payable — Director	19,439	
	<u>24,278</u>	<u>4,391</u>
Loan payable — Newlund Mines Limited	<u>25,500</u>	
Capital		
Authorized		
7,500,000 shares of \$1.00 par value		
Issued		
5,375,000 in 1969	5,375,000	5,250,000
Less: discount thereon	2,913,750	2,815,000
	<u>2,461,250</u>	<u>2,435,000</u>
Deficit	1,389,500	1,213,257
	<u>1,071,750</u>	<u>1,221,743</u>

Approved by the Board

E. D. WRIGHT, Director.

P. C. FINLAY, Director.

\$1,121,528 \$1,226,134

REPORT

FIELD CORPORATION (no personal liability) as at December 31, 1969 and the statements of accounts for the year then ended. Our examination included a general review of the accounts in the circumstances.

of the company as at December 31, 1969 and the results of its operations and source of accounting principles applied on a basis consistent with that of the preceding year.

BEAULAC, HOTTE, TETREAULT & CIE

Chartered Accountants.

LOUVICOURT GOLDFIELD

(No Personal Liability)

Incorporated under the Quebec Companies Act

Balance Sheet as at

ASSETS

	1969	1968
Current		
Cash	\$ 556	\$ 729
Accounts receivable		8,441
Marketable securities at cost (Market value \$18,500)		4,195
	<u>556</u>	<u>13,365</u>
Investment and advances		
Western Newlund Louvicourt Explorations Limited		
Shares	26,250	
Advances	16,000	
	<u>42,250</u>	
Mining concessions and claims	<u>370,413</u>	<u>378,238</u>
Buildings, machinery, equipment, stores, supplies	<u>2</u>	<u>2</u>
Other investments		
Unlisted shares at cost less allowance for decline in value	<u>2</u>	<u>31,533</u>
Deferred expenditures		
Pre-milling	670,977	670,977
Exploration, per statement	37,328	132,019
	<u>708,305</u>	<u>802,996</u>
	<u>\$1,121,528</u>	<u>\$1,226,134</u>

AUDITORS

To the Shareholders of
LOUVICOURT GOLDFIELD CORPORATION
(No Personal Liability)

We have examined the balance sheet of LOUVICOURT GOLDFIELD CORPORATION as at May 4, 1970, and the statement of financial position, source and application of funds, and exploration and administrative expenditures for the year ended May 4, 1970, and we have also examined the accounting procedures and such tests of accounting records as we considered necessary.

In our opinion these financial statements present fairly the financial position of LOUVICOURT GOLDFIELD CORPORATION as at May 4, 1970, and the statement of financial position, source and application of its funds for the year ended, in accordance with generally accepted accounting principles.

May 4, 1970.

ELD CORPORATION

STATEMENT NO. 1

(Personal Liability)

*Mining Companies' Act**December 31, 1969*

LIABILITIES

	1969	1968
Current		
Accounts payable	\$ 4,839	\$ 4,391
Loan payable — Director	19,439	
	<u>24,278</u>	<u>4,391</u>
Loan payable — Newlund Mines Limited	<u>25,500</u>	
Capital		
Authorized		
7,500,000 shares of \$1.00 par value		
Issued		
5,375,000 in 1969	5,375,000	5,250,000
Less: discount thereon	2,913,750	2,815,000
	<u>2,461,250</u>	<u>2,435,000</u>
Deficit	1,389,500	1,213,257
	<u>1,071,750</u>	<u>1,221,743</u>

Approved by the Board

E. D. WRIGHT, Director.

P. C. FINLAY, Director.

\$1,121,528 \$1,226,134

REPORT

ELDER CORPORATION (no personal liability) as at December 31, 1969 and the statements of financial position for the year then ended. Our examination included a general review of the records in the circumstances.

of the company as at December 31, 1969 and the results of its operations and source accounting principles applied on a basis consistent with that of the preceding year.

BEAULAC, HOTTE, TETREAULT & CIE

Chartered Accountants.

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

Statement of Deficit

December 31, 1969

	1969	1968
Balance at beginning of year	\$1,213,257	\$1,236,516
Add:		
Write down of other investments —		
Verchères Inc. — Oil Corporation	31,531	
Mining claims and deferred expenditures		
in New Brunswick written off	148,442	
Exploration expenditures	171	10
Administrative expenditures	10,649	8,145
	190,793	8,155
	1,404,050	1,244,671
Deduct:		
Profit on sale of marketable securities	14,550	31,414
Balance at end of year	\$1,389,500	\$1,213,257

Statement of Source and Application of Funds

For the year ended December 31, 1969

	1969	1968
Source of funds:		
Profit on sale of marketable securities	\$ 14,550	\$ 31,414
Issue of capital stock	26,250	
Advances from Newlund Mines Limited	25,500	
	66,300	31,414
Application of funds:		
Additions to mining concessions and claims	16,875	7,500
Additions to deferred expenditures	29,051	7,214
Exploration and administrative expenditures	10,820	8,155
Investment in and advances to		
Western Newlund Louvicourt Explorations Ltd.	42,250	
	98,996	22,869
Increase (decrease) in working capital	(32,696)	8,545
Working capital at beginning of year	8,974	429
Working capital (deficiency) at end of year	\$ (23,722)	\$ 8,974

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

Statement of Administrative and Exploration Expenditures

For the year ended December 31, 1969

	1969	1968
Exploration expenditures:		
Louvicourt	\$ 1,192	\$ 3,331
New Brunswick	153	2,639
Patricia	100	
Cavendish	27,707	1,245
Sundry	71	10
	<u>29,223</u>	<u>7,225</u>
Administrative expenditures:		
Office services	1,800	1,800
Share transfer expenses	2,960	3,148
Legal and audit	3,965	4,053
Miscellaneous	1,317	1,835
Interest	539	189
Travel	68	
	<u>10,649</u>	<u>11,025</u>
Less: Dividends received	—	2,880
	<u>10,649</u>	<u>8,145</u>
Expenditures (net) for the year	39,872	15,370
Balance deferred at beginning of year	132,019	124,804
	<u>171,891</u>	<u>140,174</u>
Deduct amounts written off to deficit:		
Exploration expenditures:		
New Brunswick	123,743	
Patricia	100	
Sundry	71	10
	<u>123,914</u>	<u>10</u>
Administrative expenditures	10,649	8,145
	<u>134,563</u>	<u>8,155</u>
Balance — deferred at end of year	<u>\$ 37,328</u>	<u>\$ 132,019</u>

SUMMARY OF DEFERRED EXPENDITURES

Louvicourt, Quebec	\$ 8,377
Cavendish, Ontario	28,951
	<u>\$ 37,328</u>

LOUVICOURT GOLDFIELD CORPORATION

(No Personal Liability)

Notes to Financial Statements

December 31, 1969

Note 1 — In order to complete the acquisition of mining claims in the Township of Cavendish, Ontario, held under an option agreement; further payments are required to be made as follows:

- (a) \$ 5,000 on or before June 15, 1970
- 4,000 on or before October 15, 1970
- 10,000 on or before January 15, 1971
- 11,500 on or before April 15, 1971

and

- (b) the issue to the optionor of 300,000 shares of the capital stock of a company to be incorporated to acquire the claims.

Note 2 — During the year, the Company issued 125,000 fully paid and non assessable shares of its capital stock at 21 cents per share for a total consideration of \$26,250 cash.

FROM: Lornex Mining Corporation Ltd.,
120 Adelaide Street West,
Toronto, Ontario.

file

Contact: Walter Skol
367-4153

FOR IMMEDIATE RELEASE

AR23

Lornex signs contracts
for sale of copper to Japan
and financing for mine development

\$120 Cx

Lornex Mining Corporation Ltd. has signed formal contracts with a consortium of Japanese companies - 6 copper smelters and 3 trading companies - for the purchase of Lornex's entire output of copper concentrate for 12 years, and to provide U.S. \$26.5 million as part of the financing required to bring Lornex into production.

*Hilland Valley 6 L.T. Co.
200 - West 1 Vancouver
to L.T. Co. decision*

The signing of the formal contracts followed letters of intent which were completed last April. The contracts are subject to Japanese government approval.

The contracts were signed on December 22, 1969 in Tokyo by R.D. Armstrong, president of Lornex and G.R. Albino, vice-president of Lornex. Mr. Armstrong and Mr. Albino are also respectively, president and an executive vice-president of Rio Algom Mines Limited, Toronto.

The Japanese smelters involved are the Dowa Mining Co. Ltd., Furukawa Mining Co. Ltd., Mitsubishi Metal Mining Co. Ltd., Mitsui Mining and Smelting Co. Ltd., Nippon Mining Co. Ltd., and Sumitomo Metal Mining Co. Ltd. The trading companies are Mitsubishi Shoji Kaisha Ltd., Mitsui and Co. Ltd., and Sumitomo Shoji Kaisha Ltd.

Lornex signs.....2

Lornex also has signed formal contracts with three Canadian chartered banks which will provide Cdn. \$60 million to Lornex. The loan, secured by a first mortgage, is believed to be the largest Canadian bank loan for the development of a single, non-ferrous mining project in Canada. The banks are the Canadian Imperial Bank of Commerce, the Toronto-Dominion Bank, and the Bank of Montreal.

Rio Algom Mines Limited currently has a 36 per cent equity interest in Lornex and Yukon Consolidated Gold Corporation Limited has a 24 per cent interest. The two companies and Lornex have signed formal agreements which will provide to Lornex the balance of the required funds through the purchase of units comprising income debentures and Lornex shares. Rio Algom will purchase Cdn. \$21.3 million of the units thereby increasing its equity to fractionally over 50 per cent. Yukon will purchase Cdn. \$2.3 million of the units resulting in an equity interest of approximately 19 per cent.

The Lornex mine, expected to begin production in 1972, will be the largest base metal mine in Canada. Design capacity is 38,000 tons of ore per day. Annual output is expected to approximate 162,000 short tons of copper concentrate and 2.5 million pounds of contained molybdenum in concentrate. The property is located in the Highland Valley in British Columbia.

107 260 270 420 420
- 0 -
Lornex 55072 110 lbs. in production

December 22, 1969

11 p.m. W 11/15/65

116 L. e. e. e. e.

Rio Plant is 116 11. - 1465 x

Kennell 116 11. - 1467 x

R. D. Armstrong, President,
Lornex Mining Corporation Ltd.
Address to shareholders' meeting,
Tuesday, March 31, 1970.

The Directors' report of March 2, 1970, contains a full statement as to the status of the Lornex project financing as of that date. More specifically, it reports the signing of formal financing and product sales agreements and states that construction will begin as soon as the Japanese government approves the agreements that have been signed by the Japanese parties.

There have been two subsequent occurrences that affect Lornex.

The first, which is important but minor in relation to the second, involves the discontinuance of the E & MJ price for copper on which the Japanese sales contract had been based. The contract provides for this eventuality and in the normal course it would be resolved by establishing a new mutually acceptable pricing basis.

The second is the new British Columbia Mineral Processing Act. I cannot over-emphasize its seriousness in relation to Lornex.

In simple terms the Act states that all minerals produced in the province shall be processed, smelted and refined in the province subject to the availability of facilities. Notwithstanding any agreement to the contrary, the Minister may direct that a maximum of fifty percent of the product of a producing mine within the province be delivered to a designated processing, smelting or refining facility for custom processing at such cost to the mine as the Minister may direct.



As you have been advised, the estimated total cost of the Lornex project is \$123.6 million. This amount includes loans from the Canadian bank consortium, the Japanese consortium, Rio Algom and Yukon totalling approximately \$112.2 million. The entire loan structure is supported by a contract for the sale to the Japanese consortium of the total production of Lornex copper concentrates for a term of twelve years.

As you have been advised and has been announced in the press letters of intent with respect to this sales transaction were signed with the Japanese consortium on April 14, 1969, and formal contracts were signed in Japan on December 22, 1969.

In the normal course we had expected that the Japanese government would approve the agreements signed by the Japanese parties this spring and that construction would commence immediately thereafter.

The passing of the British Columbia Minerals Processing Act a few days ago has disrupted this schedule. I am informed that the Japanese consortium and the Japanese government are now assessing the impact that the Act will have on the previously negotiated sales and financing contracts. The Canadian banking consortium is also considering the effect of the Act on the viability of the Lornex project.

As I have stated, the entire loan structure is supported by the copper concentrate sales contract. I must emphasize that the carefully constructed sales and financing contracts which were signed by Lornex in good faith and which had been awaiting only

Japanese government approval have been placed in jeopardy by the new B. C. Mineral Processing Act.

It is my hope that a satisfactory resolution will be achieved but the considerations that are involved are not within our control. We are doing all we can do in furtherance of this objective but I am not able to predict the outcome. You will be informed of any further developments.

